| 1<br>2   | FEDERAL ELECTION COMMISSION 999 E Street, N.W.   |  |  |  |  |
|----------|--|--|--|--|--|
| 3 4      | Washington, D.C. 20463   |  |  |  |  |
|          |  |  |  |  |  |
| 5        | FIRST GENER  | AL COUNSEL'S REPORT                                  |  |  |  |
| 6        |  | DAD DUPEDDAL OOLOG                                   |  |  |  |
| 7        |  | RAD REFERRAL: 08L-21                                 |  |  |  |
| 8        |  | DATE OF REFERRAL: May 6, 2008                        |  |  |  |
| 9        |  | DATE ACTIVATED: May 15, 2008                         |  |  |  |
| 10<br>11 | •  | STATUTE OF LIMITATIONS: September 1, 2011            |  |  |  |
| 12       | ·  | - January 31, 2012                                   |  |  |  |
| 13       |  | - January 31, 2012                                   |  |  |  |
| 14       | SOURCE:  | INTERNALLY GENERATED                                 |  |  |  |
| 15       |  |  |  |  |  |
| 16       | REPONDENTS:  | California Republican Party/V8, and Keith Carlson,   |  |  |  |
| 17       |  | in his official capacity as treasurer                |  |  |  |
| 18       |  | - •  |  |  |  |
| 19       | RELEVANT STATUTES:   | 2 U.S.C. § 431(20)(A)                                |  |  |  |
| 20       |  | 2 U.S.C. § 441a(f)                                   |  |  |  |
| 21       |  | 2 U.S.C. § 441b(a)                                   |  |  |  |
| 22       |  | 2 U.S.C. § 441i(b)(1)                                |  |  |  |
| 23       |  | 11 C.F.R. § 100.24(a)                                |  |  |  |
| 24       |  | 11 C.F.R. § 102.5(a)                                 |  |  |  |
| 25<br>26 |  | 11 C.F.R. § 106.7(e)                                 |  |  |  |
|          |  | 11 C.F.R. § 106.7(f)                                 |  |  |  |
| 27<br>28 | INTERNAL REPORTS CHECKED:  | Disalagura Panarta                                   |  |  |  |
| 26<br>29 | INTERNAL REPORTS CHECKED:  | Disclosure Reports RAD Referral Materials            |  |  |  |
| 30       |  | RAD Referral Materials                               |  |  |  |
| 31       | OTHER AGENCIES CHECKED:  | None   |  |  |  |
| 32       |  | • 1000   |  |  |  |
| 33       | I. INTRODUCTION  |  |  |  |  |
| 34       | The Reports Analysis Division (RA  | AD) referred the California Republican Party/V8 and  |  |  |  |
| 35       | Keith Carlson, in his official capacity as treasurer (the "Committee"), to this Office for the |  |  |  |  |
| 36       | apparent improper use of non-federal funds for federal election activity (FEA) and for the     |  |  |  |  |
| 37       | excessive transfer of non-federal funds for allocated administrative expenses. The Committee's |  |  |  |  |
| 38       | 2006 October Monthly and 12-Day Pre-G  | eneral Reports indicate a total allocation of        |  |  |  |
| 39       | \$1.930.314.24 in non-federal funds for a r  | nailer that appears from its description to meet the |  |  |  |

- definition of FEA. Additionally, the Committee's 2006 12-Day Pre-General, 30-Day Post-
- 2 General, and Year-End Reports disclose a total excess of \$386,345.02 in non-federal funds
- 3 transferred to the Committee's federal account for allocated administrative expenses.
- Based on the available information, we recommend that the Commission: (1) open a
- 5 Matter Under Review; (2) find reason to believe that the California Republican Party/V8 and
- 6 Keith Carlson, in his official capacity as treasurer, violated 2 U.S.C. §§ 441b(a), 441a(f), and
- 7 441i(b) and 11 C.F.R. §§ 106.7(f) and 102.5(a)(1)(i);

### II. FEDERAL ELECTION ACTIVITY

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- The Federal Election Campaign Act of 1971, as amended (the "Act"), generally prohibits state party committees from using funds that are not subject to the limitations and prohibitions of the Act, i.e., "non-federal funds," to pay for FEA. 2 U.S.C. § 441i(b). FEA comprises such activities as voter registration activity within 120 days of a federal election and voter identification, get-out-the-vote, and generic campaign activity conducted in connection with an election in which a federal candidate appears on the ballot. 2 U.S.C. § 431(20). Additionally, a public communication is considered FEA if it refers to a clearly identified candidate for federal office and promotes, supports, attacks, or opposes a candidate for that office.
- 19 2 U.S.C. § 431(20); 11 C.F.R. § 100.24(b)(3).
- State political party committees are prohibited from knowingly accepting contributions from corporate or labor organizations in connection with a federal election. 2 U.S.C. § 441b(a).
- 22 They are further prohibited from accepting contributions to their federal accounts which in
- aggregate exceed \$10,000 in a calendar year. 2 U.S.C. § 441a(a), (f). California law, however,
- 24 permits corporate contributions to non-federal candidates and committees. California Political

RR 08L-21 (California Republican Party/V8)
First General Counsel's Report
Page 3

- 1 Reform Act §§ 82047, 85303. Additionally, California permits individuals to contribute \$25,000
- 2 per calendar year to party committees' non-federal accounts. CPRA § 85303. As set forth
- 3 below, the Committee spent over \$1.9 million in non-federal funds in connection with four
- 4 mailers that are FEA as defined under the Commission's regulations.

### A. Factual Background

6 On October 20, 2006, the Committee both filed its October Monthly Report and called its 7 RAD Analyst with a "hypothetical" question. The Committee asked whether an "absentee 8 ballot" mailer could be allocated using a ratio of eleven percent federal to eighty-eight percent 9 non-federal and whether such a mailer would be considered FEA. The Analyst corrected the 10 Committee's ratio, stating that the ratio for allocable expenses in California in 2006 would be 11 twenty-one percent federal to seventy-nine percent non-federal. See 11 C.F.R. § 106.7(d)(2)(iii). 12 In addition, the Analyst affirmed that the mailer would be considered FEA, which would not 13 allow the expenses to be allocated between federal and non-federal accounts. The Committee's 14 2006 October Monthly Report included three disbursements, the non-federal portion of which totals \$1,459,548.98, for an "Exempt Party Mailer" described as "Direct Candidate Support" and 15 16 identified as "F&M D.C.S. Piece." A memo attached to the Report explained that the cost of the 17 mailer was allocated using an eleven and a half percent to eighty-eight and a half percent federal 18 to non-federal ratio because the mailer did not constitute FEA, contain express advocacy, or 19 directly identify any federal candidate.1

On the Committee's 12-Day Pre-General Report, it disclosed an additional disbursement for the mailer, the non-federal portion of which was \$478,518.61. The Committee similarly disclosed the purpose of this disbursement as "Exempt Party Mailer" described as "Direct Candidate Support" and identified as "F&M D.C.S. Piece." A memo attached to the report described this mailer disbursement using the same language included in the memo attached to the October Monthly Report. Although the Committee continued to communicate with RAD separately regarding the disbursements on its October Monthly and 12-Day Pre-General Reports, it used the exact same language regarding the "F&M D.C.S. Piece" in both lines of communication, so the latter line of communication is omitted from this Report in the interest of brevity.

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RR 08L-21 (California Republican Party/V8)
First General Counsel's Report
Page 4

1 Over the course of the next several months, the Committee responded to RAD's Requests for Additional Information (RFAIs) with varying descriptions of the mailer. On March 5, 2007, 2 3 an Amended October Monthly Report renamed the "Exempt Party Mailer" as "Party Mailer NO Fed. CND Identified." In a Form 99 response on the same day, the Committee described the 4 mailer as "state candidate related, mostly involving non-federal issue advocacy." The response 5 further stated that "a small portion of the piece included an element that was 'voter drive' but not 6 Federal Election Activity," and, "the activity was not 'get-out-the-vote activity." The 7 Committee also explained that it previously described the mailer as "Direct Candidate Support" 8 9 for the purpose of overriding software limitations that prohibited the eleven and a half percent to 10 eighty-eight and a half percent ratio. The Committee filed another Form 99 response on May 7, 2007, stating that their 11

March 5 response "may have inadvertently used the term 'voter drive," and explaining that the mailer was for neither voter registration nor get-out-the-vote activity. The Committee explained that the mailer mentioned only state candidates and measures, was disseminated between thirty and fifteen days before the November 2006 election, did not urge recipients to vote, and did not contain any personalized information that would assist the voter to vote. Analogizing its mailer to that comidered by the Commission in Advisory Opinion 2006-19, the Committee elaimed that it could have paid for the mailer with entirely non-federal funds. Three days later, the Committee's counsel called RAD to discuss the mailer. During the discussion, counsel disclosed that the mailer contained a "minimal" voter drive component.

<sup>&</sup>lt;sup>2</sup> Committees use FEC Form 99 to file miscellaneous electronic submissions. Committees may submit Form 99 to clarify or explain a certain situation, but not to add, delete, or change information contained in a report. See FECFile User Manual for Candidate Committees, D-12, Dec. 12, 2007 and FECFile User Manual for PACs and Party Committees, D-15, Dec. 12, 2007.

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RR 08L-21 (California Republican Party/V8) First General Counsel's Report Page 5

1 At the Commission's March 10, 2009 Executive Session consideration of our original 2 recommendations in this matter, the Commission directed us to issue respondents a letter inviting 3 respondents to clarify the available information regarding the mailer, which would assist the 4 Commission in making a decision as to whether there is reason to believe respondents violated 5 the Act. See Office of General Counsel Letter to Respondents dated April 2, 2009. On April 24, 2009, respondents provided copies of four mailers, for which the disbursements at issue 6 were made. See Attachmento 1-4. Each mailer identified either the Democratic Party oundidate 7 8 for California Governor, Phil Angelides, who opposed Republican incumbant Governor Arnold Schwarzenegger, or a state ballot measure or issue related to the gubernatorial campaign. See id. 9 Each mailer includes a tear-off blank vote-by-mail application form pre-addressed to the relevant 10 11 county elections officials and asks the recipient to fill out the form and "mail it now!" None of the mailers identify a federal candidate. According to the response, the mailers were distributed 12 between September 22 and October 12, 2006. See Attachment 5 at 2-3. The response explained 13 that the mailers were allocated between federal and non-federal funds due to a software issue but 14 that the cost could have been paid entirely with non-federal funds based on the Commission's 15 16 treatment of the mailer in AO 2006-19 (Los Angeles County Democratic Party Central 17 Committee). See id. at 6.

### B. Legal Analysis

State party committees are prohibited from expending non-federal funds for federal election activity. 2 U.S.C. § 441i(b)(1); 11 C.F.R. § 106.7(e)(3). Federal election activity includes voter registration, get-out-the-vote, and generic campaign activity, as well as certain

<sup>&</sup>lt;sup>3</sup> Certain types of FEA may be allocated between federal and Levin funds; however, Levin funds do not appear to be at issue here. See 11 C.F.R. § 300.32(b).

- types of public communications. 2 U.S.C. § 431(20)(A)(i), (ii), and (iii). The Commission's
- 2 regulations specifically define "voter registration" and "get-out-the-vote" activity as types of
- 3 FEA. See 11 C.F.R. § 100.24(a)(2) and (3). Finally, another type of FEA is a public
- 4 communication that refers to a clearly identified candidate for federal office and promotes,
- 5 supports, attacks, or opposes any candidate for federal office, regardless of whether it expressly
- 6 advocates a vote for or against a candidate. 2 U.S.C. § 431(20)(A)(iii); 11 C.F.R. § 100.24(b)(3).
- 7 Voter registration activity in defined in the Commission's regulations as "contacting
- 8 individuals by telephone, in person, or by other individualized means to assist them in registering
- 9 to vote" within 120 days prior to a regularly scheduled federal election. 11 C.F.R.
- 10 § 100.24(a)(2). Voter registration activity includes, but is not limited to, "printing and
- distributing registration and voting information, providing individuals with voter registration
- 12 forms, and assisting individuals in the completion and filling out of such forms." Id. The
- Explanation and Justification for section 100.24(a)(2) provides an example of voter registration
- 14 activity: "A state party committee conducts a phone bank contacting possible voters. The party
- staff making the calls encourages the individuals to register to vote, provides information about
- how to register to vote, and offers to mail registration forms with a propaid postage envelope to
- 17 individuals." Explanation and Justification, Definition of Federal Election Activity,
- 18 71 Fed. Reg. 8926, 8929 (Feb. 22, 2006). The Explanation and Justification also provides an
- 19 example of an activity that is not voter registration activity: "A guest speaker at a local party
- 20 committee rally for a mayoral candidate extols the virtues of the candidate and concludes his
- remarks by stating: 'Don't forget to register and vote!" Id.
- Get-out-the-vote activity is defined as "contacting registered voters by telephone, in
- person, or other individualized means, to assist them in engaging in the act of voting," and must

- be conducted in connection with an election in which a federal candidate appears on the ballot.
   11 C.F.R. § 100.24(a)(3). Get-out-the-vote activity includes, but is not limited to, "providing to individual voters information such as the date of the election, the times when polling places are
- 4 open, and the location of particular polling places." Id. "Mere encouragement" of registration or
- 5 voting does not satisfy these requirements, and therefore does not trigger FEA funding
- 6 restrictions. 71 Fed. Reg. at 8928. Calling individuals to encourage them to register to vote,
- 7 providing information on how to do so, and offering to mail them registration forms with a
- 8 prepaid postage envelope would qualify as voter registration activity, but hosting a rally with a
- 9 speaker extolling the virtues of a candidate and saying, "Don't forget to register and vote!"
- would not. Id. at 8929. The Commission's Explanation and Justification for 11 C.F.R.
- 11 § 100.24 stated, "GOTV has a very particular purpose: assisting registered voters to take any
- 12 and all necessary steps to get to the polls and cast their ballots, or to vote by absentee ballot or
- other means provided by law." 67 Fed. Reg. 49064, 49067 (July 29, 2002). The Commission
- also declined to adopt a de minimis exception to section 100.24 to allow a nominal amount of
- 15 GOTV related to a federal election. *Id.* at 49068.
- The Committee's mailers constitute FEA under the Commission's regulations in place during the 2006 election cycle. The mailers were addressed to specific registered voters and
- 18 fully half of each mailer consisted of a tear-off absentee ballot application form. Response at 3.
- 19 The addresses of the relevant county election officials to return the forms were laser-filled on the
- 20 application forms. *Id.* Three of the mailers contained specific exhortations to "APPLY TO
- 21 VOTE BY MAIL TODAY. You can't afford to sit this election out!" or "Please Fill Out and
- 22 Return Your Vote-By-Mail Application Today." See Attachment ("Att.") 1 at 1 and 2; Att. 2 at
- 23 1; Att. 4 at 1. All four of the mailers contained the statement "Place a 39¢ stamp on your card

1 and mail it now!" See Att. 1 at 2; Att. 2 at 2; Att. 3 at 2; Att. 4 at 2. By disseminating mailers 2 that contained vote-by-mail application forms pre-addressed to the recipients' county election officials, the Committee went beyond "mere encouragement," contacted potential voters by 3 "individualized means," and assisted them with both registering to vote and engaging in the act 4 5 of voting, specifically, assisting registered voters with voting by absentee ballot. See 11 C.F.R. 6 § 100.24(a)(2) and (3); 67 Fed. Reg. at 49067. Although the mailers were sent weeks before 7 election day, they provided recipients with the necessary information and government form to 8 obtain an absentee hallot, an action that could be taken immediately - and indeed the mailers 9 exhorted the recipients to take immediate action, e.g., "mail it now!" - in order to vote in the 10 2006 general election. Further, the mailers encouraged the recipients to sign and date the vote-11 by-mail application in the Permanent Absentee Voter section so the recipient would receive a ballot through the mail in every future election. See Att. 1 at 2: Att. 2 at 2: Att. 3 at 2: Att. 4 at 2. 12 13 In sum, the Committee's mailers constitute "voter registration activity" by contacting individuals 14 by individualized means to assist them in registering to vote and constitute "get-out-the-vote activity" by assisting them in engaging in the act of voting. See 11 C.F.R. § 100.24(a)(2) and 15 16 (a)(3). 17 The mailers have several aignificant factual distinctions from the mailer and phone scripts 18 considered in Advisory Opinion 2006-19 (Los Angeles County Democratic Central Committee),

- in which the Commission considered whether telephone scripts and a mailer constituted FEA.<sup>4</sup>
- 2 In AO 2006-19, which the Committee cited as analogous to its own activity in communications
- 3 with RAD staff and in its response to our April 2, 2009 letter, the Commission concluded that a
- 4 mailer endorsing non-federal candidates, advertising the date of the municipal general election
- 5 and federal primary election, targeted to Democrats within a certain county, and disseminated
- 6 four days before the election would not be considered get-out-the-vote activity. There are
- 7 significant factual distinctions between the communications considered in AO 2006-19 and those
- 8 under consideration in this matter. Although both sets of communications endorsed certain non-
- 9 federal candidates, only the Committee's communications at issue in this matter included
- material that would assist the recipient in the act of voting the absentee ballot application
- forms. Further, the forms were pre-addressed to the relevant county election officials, and thus
- 12 "individualized" to recipients, unlike the mailers and scripts considered in 2006-19, which
- simply stated the date of the election and, in the case of the mailer, provided a website address

The D.C. Circult in Shays III relied on AO 2806-19 in concluding that the current definitions of "get-out-the-vote activity" and "voter registration activity" contained in 11 C.F.R. § 100.24(a)(2)-(a)(3) permit party committees to use purely non-federal funds for FEA, directly counter to BCRA's purpose. Shays v. FEC, 528 F.3d 914, 932 (D.C. Cir. 2008). The court identified two concerns about the current regulations. First, the "actual assistance" requirement in both definitions "exclud[es] efforts that actively encourage people to vote or register to vote and dramatically narrow[] which activities are covered." Second, both definitions "individual areass" requirement "entirely exclud[es] mass normal targeted to many people." Id. at 931-32. The court pointed tr AO 2006-19 as evidence of its concerns that the regulations might allow state party committees to spend non-federal funds on multiple direct mailings targeted to potentially sympathetic voters and automated telephone calls "exhorting recipients to get out the vote." Id. In response to the Shays III decision, the Commission issued a Notice of Proposed Rulemaking regarding its FEA regulations. See 74 Fed. Reg. 53674 (October 20, 2009).

In MUR 5751 (The Leadership Forum), the Office of General Counsel distinguished AO 2006-19 in concluding that The Leadership Forum engaged in get-out-the-vote activity. In contrast to the mailer considered in AO 2006-19, The Leadership Forum's mailer: (1) arrived on or just before the date of early voting; (2) was targeted to a subset of individuals eligible to vote in the election (Republican heaseholds); (3) provided information that was particularized to the needs of individual recipients; and (4) contained the addresses of recipients' early voting locations. See MUR 5751, General Counsel's Report #2, dated July 13, 2006. However, based on the totality of the circumstances, including the fact that The Leadership Forum had caused operation, we recommended that the Commission take no further action against The Leadership Forum, and the Commission approved this recommendation. See Amended Certification, MUR 5751, August 1, 2006.

- and asked the recipient to "Find Your Polling Place." See 11 C.F.R. § 100.24(a)(3). The timing 1 of the action encouraged in the Committee's mailers was also more immediate than that 2 3 considered in the AO. While the AO involved communications at least four days prior to the
- election and the only action encouraged was voting on election day, the Committee urged 4
- 5 immediate action by the mailer recipients that was not dependent on the date of the election
- 6 itself. As noted, all of the mailers encouraged recipients to take immediate action to obtain a
- 7 ballot before the deadline with phrases such as, "Please Fill Out and Return Your Vote-By-Mail
- Application Today," "APPLY TO VOTE BY MAIL TODAY. You can't afford to sit this 8
- election out!" and "Place a 39¢ stamp on your card and mail it now!" See Attachments 1-4. All 9
- 10 of these factors distinguish the Committee's mailers from the script and mailer considered by the
- Commission in AO 2006-19. 11
- 12 Because the Committee's mailers appear to constitute federal election activity under the 13 Commission's regulations, and were paid for mostly by the Committee's non-federal account, we
- 14 recommend that the Commission find reason to believe that the California Republican Party/V8
- 15 violated 2 U.S.C. §§ 441a(f), 441b(a), and 441i(b) by using non-federal funds to pay for federal
- 16 election activity.

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### **ALLOCATED ADMINISTRATIVE EXPENSES** III.

18 State party committees may allocate their administrative expenses between their federal 19 and non-federal accounts. 11 C.F.R. § 106.7(c)(2). If the committee allocates these expenses, it 20 must do so according to a set ratio; in California's 2005-2006 election cycle, committees were 21 required to allocate at least twenty-one percent of their administrative expenses to their federal 22 accounts. 11 C.F.R. § 106.7(d)(2). State party committees may transfer funds from their non-23 federal to their federal accounts only to cover the non-federal share of the allocable expenses,

- and these transfers must be made no more than ten days before and no more than sixty days after
- 2 the payments for which they are designated are made from the federal account. 11 C.F.R.
- 3 § 106.7(f). When committees have a separate federal and non-federal account, only funds
- 4 subject to the prohibitions and limitations of the Act may be deposited into the federal account.
- 5 11 C.F.R. § 102.5(a)(1)(i). In this matter, it appears that the Committee did not properly allocate
- 6 its administrative expenses between its federal and non-federal accounts.
- 7 Three of the Committee's 2006 reports reveal apparent excessive transfers of non-federal
- 8 funds to the federal account for allocated administrative activity. Specifically, the 12-Day Pre-
- 9 General, 30-Day Post-General, and Year-End Reports each show non-federal transfers for
- allocated administrative activity on Schedule H3 that exceed the non-federal share of allocated
- activity reported on Schedule H4, as set forth in the chart below.

| 2006 Report      | Schedule H4 Non-Federal Share of Administrative Activity | Schedule H3 Non-Federal Transfers for Administrative Activity | Apparent Excessive Non- Federal Transfers |
|------------------|--|---|---|
| Amended 12-Day   |  |   |   |
| Pre-General      | \$542,926.58   | \$623,662.41  | \$80,735.83                               |
| Amended 30-Day   |  |   |   |
| Post-General     | \$787,067.60   | \$1,162,223.28  | \$375,155.68                              |
| Amended Year-End | \$461,966.01   | \$476,738.02  | \$14,772.01                               |
| (Corrective      |  |   |   |
| Transfers)       |  |   | (\$84,318.50)                             |
| Total            |  |   | \$386,345.02                              |

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With each report, the Committee included the same explanation of the discrepancies:

- "The transfers shown reflect variations due to timing of transfers based upon reimbursements
- 15 from the non-federal and Levin accounts the federal account at different points in the 70-day

window provided in Reg. 10-6.7(f)(2) [sic]. No transfers were made outside the 70-day

2 window."

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3 On May 8, 2007, after RAD sent an RFAI, the Committee submitted an Amended 30-

4 Day Post-General Report. However, the amended report only revealed a decrease in the non-

federal share of allocated administrative activity on Schedule H4. An attached memo stated,

6 "The payment on 10/30/06 has been moved from the H4 to H6. Assuming all other open issues

with the Fec [sic] are resolved, we do not believe the committee has over transferred funds, and

therefore no corrective action would be necessary."

On May 18, 2007, in response to the RFAI, the Committee filed a Form 99 which stated, in part, "We believe the over transfer only deals with the expenditures that were the basis of previous RFAI's. The committee had previously responded to that matter." However, the Committee's 2007 June Monthly Report included a \$44,318.50 corrective transfer from the federal account to the non-federal account. Although this transfer was in response to unrelated activity, RAD factored the transfer amount into the total violation amount, yielding a current violation of \$386,345.02.

We notified the Committee of a referral for the excessive transfer of non-federal funds for allocated administrative expenses on August 7, 2009, pursuant to the Commission's Agency Procedure for Notice to Respondents in Non-Complaint Generated Matters. The Committee's response stated that the Committee intended to make corrective transfers of funds from the federal to the non-federal account within two weeks. The response explained that the Committee would make transfers "in an amount that would equal the difference between a full corrective

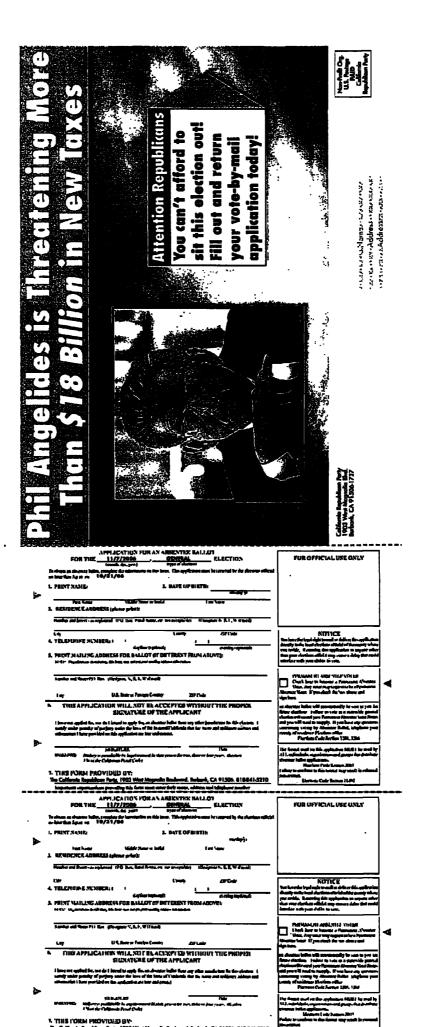
<sup>&</sup>lt;sup>6</sup> In addition to this corrective transfer, RAD also factored in a \$40,000 transfer made by the Committee during the last ten days of the reporting period, yielding the \$84,318.50 listed in the chart above. See 11 C.F.R. § 106.7(f).

| 1  | reimbursement for the four mailings in question that were subject to AO 2006-19 and the            |  |  |
|----|--|--|--|
| 2  | \$386,345.02 amount." Attachment 6 at 1-2. Although it appears that the Committee intends to       |  |  |
| 3  | "credit" the federal funds allocated for the four mailers previously discussed, the excessive      |  |  |
| 4  | transfer of non-federal funds issue involves transfers for a separate category of allocated        |  |  |
| 5  | expenses over different reporting periods. On November 2, 2009, the Committee notified RAD         |  |  |
| 6  | that it made a \$60,000 corrective transfer from the federal account to the non-federal account on |  |  |
| 7  | October 30, 2009.  |  |  |
| 8  | Based on its 2006 Amended 12-Day Pre-General, 30-Day Post-General, and Year-End                    |  |  |
| 9  | Reports, it appears that the Committee transferred a total excess of \$386,345.02 in non-federal   |  |  |
| 10 | funds into its federal account. The Committee made a \$60,000 corrective transfer in October       |  |  |
| 11 | 2009. Furthermore, in transferring excess non-federal funds into its federal account, the          |  |  |
| 12 | Committee may also have transferred non-federal funds containing contributions prohibited in       |  |  |
| 13 | connection with a federal election. See 2 U.S.C. §§ 441a(a) and (f) and 441b(a);                   |  |  |
| 14 | CPRA §§ 82047, 85303. Accordingly, we recommend that the Commission find reason to                 |  |  |
| 15 | believe that the California Republican Party/V8 violated 2 U.S.C. §§ 441b(a) and 441a(f), and      |  |  |
| 16 | 11 C.F.R. §§ 102.5(a)(1)(i) and 106.7(f).  |  |  |
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### V. **RECOMMENDATIONS**

1. Open a MUR; 

| 1<br>2<br>3 | 2.        | Find reason to believe that the California Republican Party/V8 and Keith Carlson, i his official capacity as treasurer, violated 2 U.S.C. §§ 441b(a), 441a(f), and 441i(b) and 11 C.F.R. §§ 106.7(f) and 102.5(a)(1)(i); |  |
|-------------|-----------|--|--|
| 5           | 3.        | Approve the attached Factual and Legal Analysis;   |  |
| 6<br>7      | 4.        |  |  |
| 8           | 7.        |  |  |
| 9           | 5.        |  |  |
| 10          |           |  |  |
| 11          | 6.        | Approve the appropriate letter.  |  |
| 12<br>13    | ,         | f P/h  |  |
| 14          | 2/19      | 12010 (Momasana Cara   |  |
| 15          | Date      | Thomasenia P. Duncan   |  |
| 16          |           | General Counsel  |  |
| 17          |           |  |  |
| 18          |           |  |  |
| 19<br>20    |           |  |  |
| 21          |           | Ann Marie Terzaken   |  |
| 22          |           | Associate General Counsel for Enforcement  |  |
| 23          |           |  |  |
| 24          |           |  |  |
| 25          |           |  |  |
| 26          |           | mark Allen   |  |
| 27<br>28    |           | Assistant General Counsel  |  |
| 29          |           | A MODICIAL COLLEGE   |  |
| 30          |           |  |  |
| 31          |           | Kasey Morganheim  Kasey Morgenheim   |  |
| 32          |           | Kasey Morgenheim   |  |
| 33<br>34    |           | Attorney   |  |
| 35          | Other Sta | aff Assigned:  |  |
| 36          | Margaret  | ———————————————————————————————————————  |  |
| 37          |           |  |  |
| 38          | Attachme  |  |  |
| 39          |           | Taxes" Mailer  |  |
| 40<br>41    |           | roposition 83 Mailer<br>roposition 85 Mailer   |  |
| 41          |           | Border Security" Mailer  |  |
| 43          |           | DOLGO DOCUMENT MARKET  |  |
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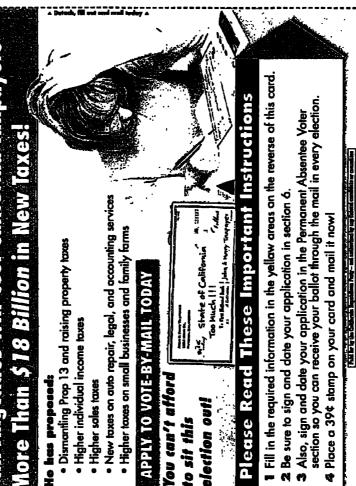


Attachment 1 Page 1 of 2

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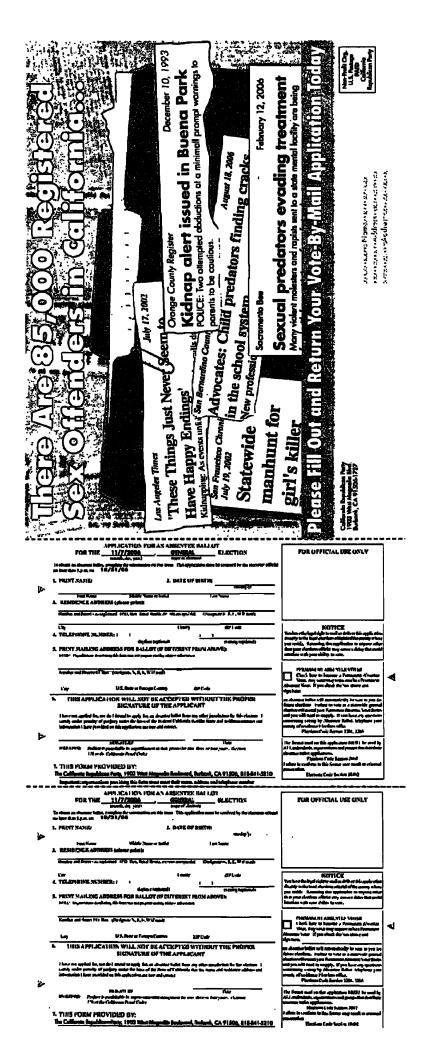






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Attachment 1 Page 2 of 2



Attachment 2 Page 1 of 2

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### Proposition 83 Will:

ere Are 85,000 Reasons to Vote

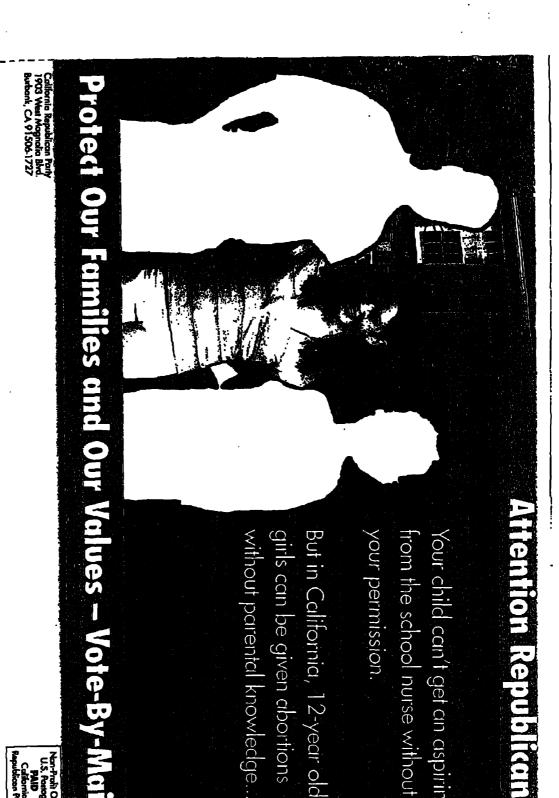
- Keep child rapists in prison longer -15 years to life
- Keep dangerous sex offenders behind bars for their full sentence – no early release
- Electronically monitor dangerous sex offenders for life with GPS tracking
- Create predator-free zones around schools and parks

live in California. We need Prop. 83 to protect our children.

# Please Read These Important Instructions

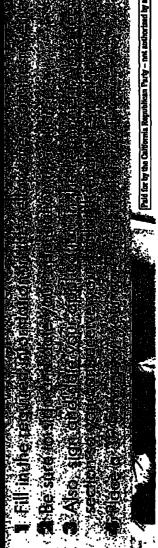
- ¶ Fill in the required information in the yellow areas on the reverse of this card.
  - 2 Be sure to sign and date your application in section 6.
- section so you can receive your ballot through the mail in every election. 3 Also, sign and date your application in the Permanent Absentee Yoter
  - 4 Place a 39¢ stamp on your card and mail it now!

Attachment 2 Page 2 of 2



## Proposition 85 Will:

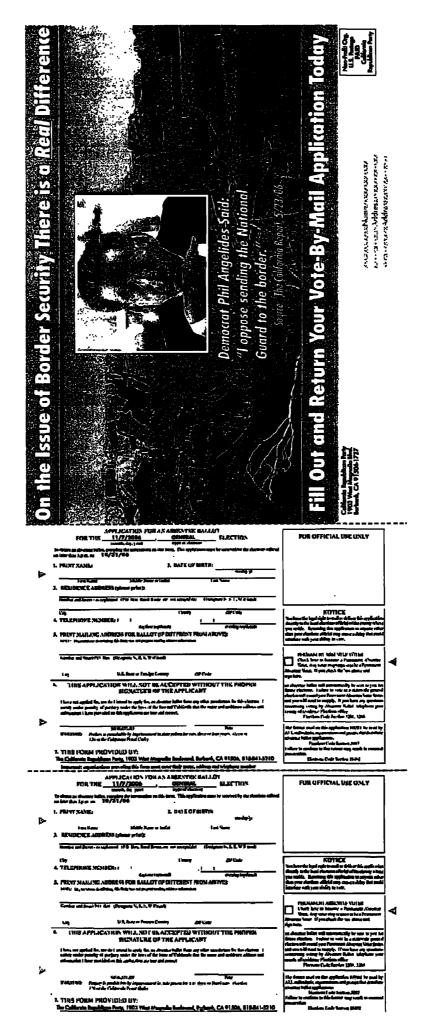
- Require 48 hours notice to parents before an abortion can be performed on a minor
- Give parents the information they need to report rape or sexual abuse of their children
- Enable parents to ensure their children receive proper medical



| •           | 1. | FOR THE 11/7/2006 GENERAL ELECTION (untrit, day, year) (type of decision) (obtain an a bacrate ballot, complete the information on this form. This application may be received by the elections official later than 5 p.m. an 10/31/06  PRINT NAME:  2. DATE OF BIRTH:  Thorntoply  First Name Middle Name or initial Last Name RESIDE NCE ADDRESS (please print):   | FOR OFFICIAL USE ONLY   |   |
|-------------|----|--|---|---|
|             |    | Number and Smitt - as registrosm (P.C. Box, Parel Route, etc. not acceptable) (Designate N, S, E, W M used)  |   | ] |
|             | 4. | City Committee Country ZIP Committee Country Cou | NOTICE Yes have the legal right to usell or deliver this application diseasely to the local electrical of the county where yes reside. Returning this application to anyone other than your electricus efficial may come a delay that could interfere with your ability as mee.   |   |
|             |    | Number (mad Street/P.C. Box. (Designate N. S. E. W if west)  | PERMANENT-ASSINTEE VOTER Clerk here to become a Permanent Absence Voter, Any voter stay request to be a Permanent   | 4 |
|             | _  | City U.S. State or Foreign Country ZIP Code  | Absentiate Voter, If you check the home have and sign here:   | ĺ |
| •           | 6. | THIS APPLICATION WILL NOT BE ACCEPTED WITHOUT THE PROPER SIGNATURE OF THE APPLICANT  I have not applied fire, nor do I intend to apply fore, no character ballot from any other furindiction for this election. I could your   | an obsence builts will estomatically be next to you for<br>finite elections. Failure to state in a state-wise general<br>decision will except your Perspasent Alternates Voter States<br>and you will need to reapply. If you have any questions<br>executing voting by Alternate Bailin, inhiphone your<br>country of maidence Elections office.<br>Elections Code Section 3201, 3296  |   |
|             |    | SIGNATURE  FURNING: Parjusy is pentihable by imprisonment in stone prison for two, three or floor years. (Section  136 of the California Penal Cada)   | The former used on this application MUST be used by<br>ALL individuals, organizations and groups the distribute<br>shousten ballot applications.<br>Elections Code Section 1907   |   |
|             |    | THIS FORM PROVIDED BY:<br>• California Republican Party, 1903 West Magnalia Boulevard, Buchenk, CA 91506, 818-841-5210   | Politant to conform to this formet yeary result is criminal passecution.  Elections Code Section 19402  |   |
|             |    | Important: organizations providing that form must experit their name, address and telephone number   |   |   |
|             | То | #PPLICATION FOR AN ABSENTEE BALLOT  FOR THE 11/7/2006 GENERAL SLECTION  (Injury of version:  Open of v | FOR OFFICIAL USE ONLY   |   |
|             |    | PRINT NAME: 2. DATE OF BIRTR:  |   |   |
| <b>&gt;</b> |    | First Name Middle Name or Initial Last Name RESIDE: NCE ADDRESS (please print):  |   |   |
|             |    | Number and Street an regiment (P.O. Box, Roral Route, etc. not emphasis) (Designate M. S. E. Wil used)   |   |   |
|             | 4. | County ZIP Code  TELEPHIONE NUMBER: ( )  Suprime (injuicite) ( )  FRINT MAILING ADDRESS FOR BALLOT (IF DIFFERENT FROM ABOVE):  | NOTICE You have the legal right to real or definer this application directly to the local elections official of the county where years rade. Returning this application to entyre other than your elections official may cause a delay that could   |   |
|             |    | NOTE: Organization districting fill little only on progetor-calling address differential.  | interfers with your shillty to vote,  |   |
|             | •  | Number and Street/P.O. Best (Designate N. S. E. W if smed)  City U.S. Street or Foreign Country ZIP Code.  | PERMANENT ABSENTEE VOTER Check here so bevoter in Represent America Votee. Any voter may reposit to four Represent Afternites Votes. If you debut, the log above and  | ◀ |
|             | 6  | CHY CARRY CARRY WILL BUT DE LANGUER BUTTON DE LA CONTROL D | elgo kure:  |   |
|             |    | SIGNATURE OF THE APPLICANT  I have not applied for, nor do I found to apply for, so absence ballos flora my other jurisdiction for this election. I testify waster penalty of perjucy under the lowe of the State of Cultivisia dust the name and residence address and  | us atjenshe ballor will automatically it ment to you for future elections. Foilure us were in a statewist general election will caused your Persument Alaquae View Spans and you will need to reapply. If you have any constitute concepting well need to reapply. If you have any constitute concepting well by Alaquae afficient declarate plans country of residence Elections offers.  Elections Clark Section 2201, 5206 |   |
|             |    | WARNEN G: Perjusy is prophedia by imprisonment to more prison for new silent or four years. Gracket<br>176 of the Collifornia Panal Codes  | The format used on this application AGUST he med by<br>ALL tedéridants, experimentant and groups that distribute<br>sharmed balles applications.<br>Elections Code Section 1087   |   |
|             |    |  | Pallure to conform to tiffy female ally result in criminal procession.  Elections Code Sambus 1948?   |   |

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Attachment 4 Page 1 of 2

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Stop Open Borders

Stop Open Borders

Keep National Guard Troops on the Border

Prevent illegal Immigrants from Getting

Drivers' Licenses

Stop Welfare for Illegal Immigrants

Stop Welfare for Illegal Immigrants

Stop Welfare for Illegal Immigrants

A stop of sign and date your application in the Permanent Absentes Valer section so you can receive your ballot through the mail in every election.

A bloc, sign and date your application in the Permanent Absentes Valer section so you can receive your ballot through the mail in every election.

Place a 394 stomp on your card and mail it now!

Attachment 4 Page 2 of 2